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**MINUTES OF THE PROCEEDINGS**  
**REGULAR MEETING**  
**OF THE**  
**RETIREMENT BOARD OF THE POLICEMEN'S**  
**ANNUITY & BENEFIT FUND**  
**HELD**  
**THURSDAY APRIL 24, 2014**

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The regular meeting of the Retirement Board of the Policemen's Annuity and Benefit Fund was held April 24, 2014, at 9:00 A.M. at the office of the Fund, 221 N. LaSalle Street, Room 1626, Chicago, Illinois for the consideration of applications and bills, and for other such matters that came before the Board. The contents of this meeting were transcribed by Esquire Communications, Ltd. Court Reporters and are made a part of the record.

PRESENT: Trustees Avila, Hamburger, Hauser, Lappe, Neely, Scott, Wright 7.

ABSENT: Trustee Maloney 1.

PRESIDING: President and Trustee Kenneth Hauser.

Trustee Hauser called the meeting to order.

*It was moved by Trustee Hamburger, seconded by Trustee Lappe, that the Board approve the minutes from the Investment Committee meeting held April 21, 2014, as presented.*

**ROLL CALL**

For: Avila, Hamburger, Hauser, Lappe, Neely, Scott, Wright 7.

Absent: Maloney 1.

Against: 0.

*It was moved by Trustee Lappe, seconded by Trustee Hamburger, that the Board approve the minutes from the regular meeting held March 27, 2014.*

**ROLL CALL**

For: Avila, Hamburger, Hauser, Lappe, Neely, Scott, Wright 7.

Absent: Maloney 1.

Against: 0.

The Board Vice President conducted the agenda as follows.

**PAGE NO. REFERENCE**

1 - 6 Incurred Expenses for the Month of April 2014.

*It was moved by Trustee Lappe, seconded by Trustee Scott that the Board approve the Obligations as detailed on pages 1 through 6.*

**ROLL CALL**

For: Avila, Hamburger, Hauser, Lappe, Neely, Scott, Wright 7.

Absent: Maloney 1.

Against: 0.

7 - 8 Refunds of Contributions; Withdrawal of Service, Exempt Rank and Widow's Annuity Accumulations.

*It was moved by Trustee Scott, seconded by Trustee Avila that the Board approve the Refunds as detailed on page 7.*

**ROLL CALL**

For: Avila, Hamburger, Hauser, Lappe, Neely, Scott, Wright 7.

Absent: Maloney 1.

Against: 0.

*It was moved by Trustee Scott, seconded by Trustee Hauser that the Board approve the Widow's Annuity Accumulation Refunds as detailed on page 8.*

**ROLL CALL**

For: Avila, Hamburger, Hauser, Lappe, Neely, Scott, Wright 7.

Absent: Maloney 1.

Against: 0.

MINUTES CONTINUED

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PAGE NO. REFERENCE

9 Refunds of Contributions; Withdrawal of Service, Exempt Rank and  
Widow's Annuity Accumulations.

*It was moved by Trustee Hauser, seconded by Trustee Scott that the Board approve the Exempt Rank Refunds as detailed on page 9.*

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Neely, Scott, Wright 7.

Absent: Maloney 1.

Against: 0.

10 – 11 Refunds to Heirs of Deceased Annuitants & Refunds of Unused Annuity Accumulations  
*It was moved by Trustee Lappe, seconded by Trustee Hamburger that the Board approve the Refunds as detailed on pages 10 and 11.*

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Neely, Scott, Wright 7.

Absent: Maloney 1.

Against: 0.

12 - 13 Annuities to Retired Employees (summary pg. 14)  
*It was moved by Trustee Hauser, seconded by Trustee Avila that the Board approve the Annuities as detailed on pages 12 and 13.*

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Neely, Scott, Wright 7.

Absent: Maloney 1.

Against: 0.

15 -19 Annuities to Retired Employees – Revised  
*It was moved by Trustee Avila, seconded by Trustee Hauser that the Board approve the Revised Annuities as detailed on pages 15 through 19.*

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Neely, Scott, Wright 7.

Absent: Maloney 1.

Against: 0.

20 Annuities to Widows (summary pg. 21)  
*It was moved by Trustee Hauser, seconded by Trustee Avila that the Board approve the Annuities to Widows as detailed on page 20.*

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Neely, Scott, Wright 7.

Absent: Maloney 1.

Against: 0.

22 Annuities to Children  
*It was moved by Trustee Hamburger, seconded by Trustee Lappe that the Board approve the Annuities to Children as detailed on page 22.*

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Neely, Scott, Wright 7.

Absent: Maloney 1.

Against: 0.

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PAGE NO. REFERENCE

23 Ordinary Disability Benefit Claims

a) Anderson, Jerry J.

*Based on the medical reports, it was moved by Trustee Lappe, seconded by Trustee Scott that the Board grant the officer ordinary disability benefits.*

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Neely, Scott, Wright 7.

Absent: Maloney 1.

Against: 0.

24 Occupational/Duty Disability Benefit Claims

b) Leverett, Sandra G.

*Based on the medical reports, it was moved by Trustee Hamburger, seconded by Trustee Avila that the Board move to defer all benefits, subject to a full evidentiary hearing.*

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Neely, Scott, Wright 7.

Absent: Maloney 1.

Against: 0.

c) Stehlik, Scott E.

*Based on the medical reports, it was moved by Trustee Hamburger, seconded by Trustee Avila that the Board move to defer all benefits, subject to a full evidentiary hearing.*

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Neely, Scott, Wright 7.

Absent: Maloney 1.

Against: 0.

25 - 27 Payments of Death Benefits [Summary pg. 28]

*It was moved by Trustee Hauser, seconded by Trustee Scott that the Board approve the Death Benefits as detailed on pages 25 through 27.*

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Neely, Scott, Wright 7.

Absent: Maloney 1.

Against: 0.

MISCELLANEOUS

29 GUARDIANSHIP APPOINTMENT

Clayton, Maurice A.

*It was moved by Trustee Lappe, seconded by Trustee Avila that the Board acknowledge the court appointed guardian as detailed.*

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Neely, Scott, Wright 7.

Absent: Maloney 1.

Against: 0.

MINUTES CONTINUED

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PAGE NO. REFERENCE

30 PETITIONS FOR PENSION CREDIT FOR PRIOR COOK COUNTY  
SERVICE UNDER 5-214(c)

*Documentation verified, it was moved by Trustee Scott, seconded by Trustee Lappe that the Board approve the prior cook county service petition as detailed on page 30.*

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Neely, Scott, Wright 7.

Absent: Maloney 1.

Against: 0.

General Agenda completed *It was moved by Trustee Scott, seconded by Trustee Avila that the Board that the Board go into executive session pursuant to 2 (c)(11).*

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Neely, Scott, Wright 7.

Absent: Maloney 1.

Against: 0.

*It was moved by Trustee Neely, seconded by Trustee Scott that the Board exit the executive session.*

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Neely, Scott, Wright 7.

Absent: Maloney 1.

Against: 0.

HEARINGS

31 REQUEST FOR PENSION CREDIT FOR PRIOR SERVICE  
Isakson, Roy A.

Documentation verified and reviewed and after hearing testimony *it was moved by Trustee Scott, seconded by Trustee Neely that the Board go into executive session pursuant to 2 (c)(11).*

ROLL CALL

For: Avila, Hauser, Lappe, Neely, Scott 5.

Absent: Hamburger, Maloney, Wright 3.

Against: 0.

*It was moved by Trustee Neely, seconded by Trustee Scott that the Board exit the executive session.*

ROLL CALL

For: Avila, Hauser, Lappe, Neely, Scott 5.

Absent: Hamburger, Maloney, Wright 3.

Against: 0.

*It was moved by Trustee Neely, seconded by Trustee Lappe that the Board deny the petition for prior service as submitted by Sergeant Roy Isakson.*

ROLL CALL

For: Avila, Hauser, Lappe, Neely, Scott 5.

Absent: Hamburger, Maloney, Wright 3.

Against: 0.

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DISABILITY HEARINGS

DUTY DISABILITY STATUS REVIEWS

32

Blair, Patrick

This matter was previously before the Board at the meeting held March 27, 2014, at which time it was continued to the Board's April meeting. A request for a continuance at this April 24, 2014, has been submitted. *It was moved by Trustee Wright, seconded by Trustee Lappe, that the Board approve a continuance.*

ROLL CALL

For: Avila, Hauser, Lappe, Neely, Scott, Wright 6.

Absent: Hamburger, Maloney 2.

Against: 0.

33

Feret, Kevin

**Kevin Feret** appeared before the Board on a status review of his duty disability benefits. Testimony was taken and review of documents was completed. *It was moved by Trustee Wright, seconded by Trustee Lappe that the Board continue this matter for 30 days in order for Officer Feret to have another medical evaluation and return to duty.*

ROLL CALL

For: Avila, Hauser, Lappe, Wright 4.

Absent: Hamburger, Maloney 2.

Against: Neely, Scott 2.

34

O'Brien, Timothy

**Timothy O'Brien** appeared again before the Board on a status review of his duty disability benefits. Testimony was taken and review of documents was completed. Appearance and testimony taken from Officer Bradley Burcham, range instructor for the Chicago Police Department, regarding this officer's ability to qualify with his firearm.

*It was moved by Trustee Scott, seconded by Trustee Hamburger that the Board go into Executive Session pursuant to 2(c)(11), possible litigation.*

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Neely, Scott, Wright 7.

Absent: Maloney 1.

Against: 0.

*It was moved by Trustee Lappe, seconded by Trustee Hamburger that the Board come out of executive session.*

For: Avila, Hamburger, Hauser, Lappe, Neely, Scott, Wright 7.

Absent: Maloney 1.

Against: 0.

The Board informed Officer O'Brien that his disability shall continue without interruption.

35

Zadrozny, Robert

**Robert Zadrozny** appeared before the Board on a status review of his duty disability benefits.

Testimony was taken and review of documents was completed. Testimony was taken from witness Police Officer Ray Casiano.

The Board informed Officer Zadrozny that his disability shall continue without interruption.

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PAGE NO. REFERENCE

36 DUTY DISABILITY CLAIMS

Aceves, Juan

**Juan Aceves** appeared before the Board on his application for a duty disability benefit. After hearing testimony and reviewing documentation submitted, *it was moved by Trustee Wright, seconded by Trustee Scott that the Board award duty disability benefits for the period June 1, 2013, through April 10, 2014.*

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Neely, Scott, Wright 7.

Absent: Maloney 1.

Against: 0.

*It was moved by Trustee Wright that the Board grant the duty award at 75% of salary as defined in the Statute.*

NO SECOND: Motion Fails

*It was then moved by Trustee Scott, seconded by Trustee Neely, that the Board grant the duty award at 50% of salary as defined in the Statute.*

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Neely, Scott, Wright 7.

Absent: Maloney 1.

Against: 0.

36 Finnegan, Kevin

**Kevin Finnegan** appeared before the Board on his application for a duty disability benefit. After hearing testimony and reviewing documentation submitted, *it was moved by Trustee Neely, seconded by Trustee Wright that the Board award a duty disability benefit effective December 1, 2013.*

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Neely, Scott, Wright 7.

Absent: Maloney 1.

Against: 0.

*It was moved by Trustee Neely, seconded by Trustee Wright that the Board grant the duty award at 75% of salary as defined in the Statute.*

ROLL CALL

For: Lappe, Neely, Wright 3.

Absent: Maloney 1.

Against: Avila, Hamburger, Hauser, Scott 4.

*It was then moved by Trustee Neely, seconded by Trustee Hamburger, that the Board grant the duty award at 50% of salary as defined in the Statute.*

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Neely, Scott, Wright 7.

Absent: Maloney 1.

Against: 0.

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PAGE NO. REFERENCE

36 DUTY DISABILITY CLAIMS (CONTINUED)

Ali, Meer

**Meer Ali** appeared before the Board on his application for a duty disability benefit. After hearing testimony and reviewing documentation submitted, *it was moved by Trustee Neely, seconded by Trustee Scott that the Board go into executive session pursuant to 2 (c)(11).*

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Neely, Scott, Wright 7.

Absent: Maloney 1.

Against: 0.

*It was moved by Trustee Neely, seconded by Trustee Wright that the Board come out of executive session.*

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Neely, Scott, Wright 7.

Absent: Maloney 1.

Against: 0.

*It was moved by Trustee Wright, seconded by Trustee Scott that the Board award a duty disability benefit.*

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Neely, Scott, Wright 7.

Absent: Maloney 1.

Against: 0.

*It was then moved by Trustee Scott, seconded by Trustee Hamburger, that the Board grant the duty award at 50% of salary as defined in the Statute, with a status review in six months.*

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Neely, Scott, Wright 7.

Absent: Maloney 1.

Against: 0.

36 Herrera, Juana

**Juana Herrera** appeared before the Board on her application for a duty disability benefit. After hearing testimony and reviewing documentation submitted, *it was moved by Trustee Wright, seconded by Trustee Neely that the Board award a duty disability benefit.*

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Neely, Wright 6.

Absent: Maloney, Scott 2.

Against: 0.

*It was moved by Trustee Neely, seconded by Trustee Hamburger that the Board grant the duty award at 75% of salary as defined in the Statute, with a status review in six months.*

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Neely, Wright 6.

Absent: Maloney, Scott 2.

Against: 0.



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36 DUTY DISABILITY CLAIMS (CONTINUED)

Rycraw, Cheryl

**Cheryl Rycraw** appeared before the Board on her application for a duty disability benefit. After hearing testimony and reviewing documentation submitted, *it was moved by Trustee Neely, seconded by Trustee Hamburger that the Board deny a duty disability benefit.*

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Neely, Wright 6.

Absent: Maloney, Scott 2.

Against: 0.

*It was moved by Trustee Wright, seconded by Trustee Lappe that the Board grant an ordinary disability benefit.*

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Neely, Wright 6.

Absent: Maloney, Scott 2.

Against: 0.

The next order of business was the Executive Director's Report.

Due to the diligence of Trustee Lappe, the Fund received \$700,000 from Evidence & Recovered Property of the Chicago Police Department, which will be deposited into the Gift Reserve Account of the Fund.

The 53<sup>rd</sup> Annual Police Recognition ceremony is to be held Tuesday May 27<sup>th</sup> at the Hyatt in Chicago.

The retired Lieutenant's Association has requested that the Fund provide a mailing list of retired lieutenants to a printer of the Fund's selection so that the Retired Lieutenant's Association could communicate and solicit membership. In accordance with Fund policy on these requests, the Fund would like to accommodate the request. The names and addresses would be provided to a printer and the Lieutenant's Association provides the communication and postage; the items are then mailed direct to the member from the printer.

Correspondence from the Benefits Management Officer (BMO) regarding the recent completed contracts between the City and Chicago Police Sergeants and Lieutenants was directed to the Board. BMO requests, effective with retirements after May 1, 2014, for those sergeants and lieutenants that qualify under the memorandum of understanding as stipulated in their respective contracts, that the Fund deduct 2% from the retired sergeant and lieutenant member's annuity for the cost of healthcare,

*It was moved by Trustee Neely, seconded by Trustee Wright, that the Board approve the Fund's deduction of 2% from annuities of Sergeants and Lieutenants, retiring on or after May 1, 2014, for the cost of healthcare.*

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Neely, Wright 6.

Absent: Maloney, Scott 2.

Against: 0.

The Executive Director reports the hiring of a benefit analyst effective April 1, 2014, and interviewing for the Comptroller position has begun.

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The Fund has received a letter from the Corporation Counsel concerning retired member **Nelson Stewart**, advising the Fund of his felony conviction, which arose out of or in connection with his employment with the City of Chicago, therefore, it is their opinion that Mr. Stewart has forfeited his pension benefits.

*Vice President Neely directed that this matter be schedule for a due process hearing.*

*It was later moved by Trustee Neely, seconded by Trustee Lappe, to immediately suspend the annuity currently being paid to Nelson Stewart, pending a full hearing.*

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Neely, Wright 6.

Absent: Maloney, Scott 2.

Against: 0.

There is a request submitted by a Trustee to attend the NEPC Annual conference.

*It was moved by Trustee Neely, seconded by Trustee Wright, that the Board approve attendance at the NEPC annual conference for 2014, for any Trustee interested in attending.*

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Neely, Wright 6.

Absent: Maloney, Scott 2.

Against: 0.

The Executive Director requested to attend a seminar on employment law.

*It was moved by Trustee Wright, seconded by Trustee Neely, that the Board approve Executive Director Tuczak's attendance at the seminar on employment law.*

ROLL CALL

For: Avila, Hamburger, Hauser, Lappe, Neely, Wright 6.

Absent: Maloney, Scott 2.

Against: 0.

The actuarial and audit results for 2013 are in-process and will soon be ready for communication to the Board. The Fund would like to schedule the presentations by the actuaries and auditors on June 23, 2014, at 9am and 9:20am, respectively, immediately prior to the commencement of the Investment Committee meeting of the Board.

The last item on the Executive Director's report is to report retired police officer Ronald Hardt, passed away October 2012, and his widow failed to report his death, resulting in annuity overpayments of approximately \$54,000 over the past seventeen months.

*It was moved by Trustee Neely, seconded by Trustee Lappe, that the Board, in its fiduciary responsibility, report this act of fraud to the State's Attorney's Office.*

ROLL CALL

For: Avila, Hamburger, Lappe, Neely 4.

Absent: Maloney, Scott 2.

Against: Hauser, Wright 2.

Communication was forwarded to the widow, Cheryl Hardt, concerning repayment of the indebtedness to the Fund.

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Former police officer Valeria Puga, was in receipt of ordinary disability, which concluded based upon her available service credit. Upon termination of her disability benefit, Ms. Puga resigned from the Chicago Police Department. Her refund check was suspended pending review by Fund staff. The review conducted by the Fund's staff concluded and the Board attorney advises that her refund check be disbursed.

*It was moved by Trustee Lappe, seconded by Trustee Wright that the Board approve a refund of contributions to Valeria Puga.*

ROLL CALL

For: Avila, Hauser, Lappe, Neely, Scott, Wright 6.

Absent: Hamburger, Maloney 2.

Against: 0.

Counsel for the Board requested discussion of a class action class pending.

*It was moved by Trustee Scott, seconded by Trustee Lappe, that the Board go into executive session.*

ROLL CALL

For: Avila, Hauser, Lappe, Neely, Scott 5.

Absent: Hamburger, Maloney, Wright 3.

Against: 0.

*It was moved by Trustee Neely, seconded by Trustee Scott, that the Board come out of executive session.*

ROLL CALL

For: Avila, Hauser, Lappe, Neely, Scott 5.

Absent: Hamburger, Maloney, Wright 3.

Against: 0.

All business concluded for this date, April 24, 2014, *it was moved by Trustee Neely, seconded by Trustee Scott that this meeting be adjourned.*

ROLL CALL

For: Avila, Hauser, Lappe, Neely, Scott 5.

Absent: Hamburger, Maloney, Wright 3.

Against: 0.